HON'BLE SRI JUSTICE GODA RAGHURAM

W.P.NO. 3020 OF 2006

DATED: 16.03.2006

Between:

V. Balaji

… Petitioner

and

Divisional Railway Manager, Works

Branch, South Central Railway,

Vijayawada and others

… Respondents

HON'BLE SRI JUSTICE GODA RAGHURAM

W.P.NO. 3020 OF 2006

ORAL ORDER:

The petitioner has a running contractual relationship with the South Central Railway. One of the works tendered by the petitioner and accepted by the respondents is relates to repairs to Sewage pumping main from draining pump house to Septic tanks along with type 1 quarters 132 to 137 and Type III quarters 119 to 121 at W/WS/Railway colony, Rayanpadu. The petitioner is now aggrieved by the letter addressed by the 1st respondent dated 27.1.2006 which reads as under:

> *"Earlier you were advised vide letters under reference to remit an amount of Rs.6,01,248/- (Rupees six lakhs one thousand two hundred and forty eight only) towards excess payment made and Rs.26,082/- towards the interest totaling to Rs.6,27,330/- and an amount of Rs.6,01,248/- has been remitted by you. Balance an amount of Rs.26,082/- has been withheld from the CC Bill No.CC/II/1380/184, dt. 8.7.2005 against Agreement No.5/BZA/C/05 dt. 19.1.2005.*
>
> *Subsequently, verification of the same work has been done by CBI officials in the presence of Railway officials and other witnesses from 3.1.2006 to 10.1.2006.*
>
> *Based on verification you re hereby advised to remit further an amount of Rs.7,71,695/- towards unreturned released material under Agreement No.5/Sr.DEN/Co.ord/BZA/05, dt. 4.1.2005."*

Petitioner's complaint is that in respect of the works under the agreement dt. 4.1.2005, the 1st respondent is periodically intimating the petitioner that excess payments were made on one ground or the other and on the basis of such intimations, is withholding the amounts due to the petitioner under other contracts between the petitioner and the respondents. By the letter dated 27.1.2006, the 1st respondent states that when the "repairs of the sewage pumping main work" executed by the petitioner was inspected by the CBI officers during 3.1.2006 to

10.1.2006, an amount of Rs.7,71,695/- due from the petitioner to the Railways towards unreturned released material was discerned and that the petitioner should therefore arrange payment of the above amount at the earliest.

The petitioner's complaint is that as and when some authority or other, including the CBI and at regular intervals, inspects the works done by the petitioner, the 1st respondent is coming up with instalments of demands and that all such demands for payment are outside the Agreement No. 5/Sr.DEN/Co.ord/BZA/05, dt. 4.1.2005.

Sri P. Ganga Rami Reddy, learned Standing Counsel for the respondents, states that the petitioner submitted a representation dated 7.2.2006 responding to the impugned communication of the 1st respondent, denying the petitioner's liability to pay Rs.7,71,695/-.

In the circumstances above, the 1st respondent is required to pass a reasoned and detailed order as to the basis for the quantification and the liability itself, of the petitioner to the respondents under the agreement dated 4.1.2005. If such a detailed and reasoned order is communicated by the 1st respondent, the petitioner would be in a position to take appropriate remedies before the appropriate forum as the disputes in such an event would be disputes arising out of a non-statutory contract after the entering into of such a contract.

For the aforesaid reasons, the 1st respondent is directed to pass a detailed and reasoned order responding to the petitioner's response dated 7.2.2006 to his communication dated 27.1.2006, expeditiously and in any event, within a period of two weeks from the date of receipt of a copy of this order. The 1st respondent shall communicate the order to the petitioner within the aforesaid time.

The writ petition is disposed of. No order as to costs.

GODA RAGHURAM, J

Date: 16.03.2006

Note: CC in three days.

BO CVM